



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Legislative Fiscal Analyst
CLAYTON SCHENCK

September 8, 2005

Mick Robinson, Administrator
Fiscal Services Division
Department of Public Health and Human Services
111 North Sanders
Helena MT 59604

Dear Mr. Robinson:

At it's June meeting, the Legislative Finance Committee voted to request updates on a number of projects and initiatives as discussed during HB2 deliberations by appropriations subcommittees and the legislature during the 2005 legislative session. This letter is to let you know that we will be requesting these updates within the general timetables envisioned by the legislature.

The updates are intended to be brief, informal performance updates, and accomplished in no more than 1 to 2 pages. Additional information is welcome, but the intent is to keep the reporting requirements simple and informative while not requiring extensive effort on the part of program managers. The committee is primarily interested in how the project or initiative is progressing, what issues you have encountered, and what the legislature can do to assist you during the interim in your efforts to meet your goals and/or to address any issues.

The following updates are requested.

Classification of expenditures as benefits or operating expenses
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Attached are the request forms for each of the updates requested.

Thank you for your attention to this matter. If you have any general questions about this request, please contact Taryn Purdy at 5383, or at tpurdy@mt.gov. If you have questions about a particular update, please contact the LFD staff person listed.

Sincerely,
Clayton Schenck

cc: Joan Miles
Marie Matthews

Information Request – Legislative Finance Committee

Purpose

By September 23, 2005, please provide a 1-2 page summary on the projects/initiatives listed.

Specifically:

How is this initiative going? What are the results of your efforts? What problems have you encountered? How can the legislature assist in this effort or with issues that have arisen?

You may email your response to the LFD contact listed below.

Information

Agency: DPHHS

Division/Program: Fiscal Services Division

Subject: Classification of expenditures as benefits or operating expenses

LFD Contact: Steinbeck, Lois

Agency Contact: Matthews, Marie (Please fill in agency contact person)

Specific Request for Information/Action as Discussed by the Legislature/Subcommittee During the Legislative Session

Report on activities

Response

Using the specific components above, what are you doing with regard to this project/initiative and how is it going?

Accounting staffs within DPHHS and DofA are working closely to identify areas where expenditure classifications, either at a statewide level or within DPHHS, might be clarified.

DofA issued a position paper to DPHHS, the Legislative Finance Division and the Governor's Budget Office on May 31, 2005. The position paper outlined the existing statewide expenditure classifications, presented possible additional clarifications and offered new expenditure accounts. DPHHS has spent a significant amount of time evaluating this proposal and it's possible implementation.

DPHHS issued a response to the position paper on September 22, 2005. DPHHS and DofA accounting staff plan to meet September 28, 2005 to discuss the presented options with a goal of reaching a single draft proposal.

During October of 2005 budget and accounting staff from all divisions within DPHHS will be comparing their expenditures to the proposed solution and outlining their thoughts. DPHHS will then discuss any further fine-tuning of the proposal with DofA. Once both agencies are in

agreement the draft proposal will be submitted to OBPP, LFD and LAD for their review and comment.

What are the results so far? The project has produced an increased understanding of the issue within both agencies and draft options for clarifying DPHHS and/or state expenditure classification.

What challenges have arisen? None

How can the legislature (Legislative Finance Committee) assist? No assistance is necessary at this time.